

## Message Text

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ACTION EB-07

INFO OCT-01 AF-06 ARA-06 ISO-00 EA-07 NEA-10 FEA-01 AGR-05

CEA-01 CIAE-00 COME-00 DODE-00 FRB-03 H-02 INR-07

INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05

CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06 PRS-01

SP-02 OMB-01 EUR-12 /122 W  
----- 094046

P R 131629Z FEB 76

FM AMEMBASSY ABIDJAN

TO SECSTATE WASHDC PRIORITY 7094

INFO AMEMBASSY ADDIS ABABA

AMEMBASSY BOGOTA

AMEMBASSY BRASILIA

AMEMBASSY GUATEMALA

AMEMBASSY JAKARTA

AMEMBASSY KINSHASA

AMEMBASSY MANAGUA

AMEMBASSY MEXICO

AMEMBASSY MONROVIA

AMEMBASSY NAIROBI

AMEMBASSY NEW DEHLI

AMEMBASSY QUITO

AMEMBASSY SAN JOSE

AMEMBASSY SAN SALVADOR

AMEMBASSY SANTO DOMONGO

AMEMBASSY TEGUCIGALPA

AMEMBASSY YAOUNDE

AMCONSUL RIO DE JANEIRO

AMCONSUL SOA PAULO

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MONROVIA FOR AGATT

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EO 11652: N/A

TAGS: ETRD, EAGR, IV  
SUB: IVORIAN COFFEE PRICE SITUATION

REFERENCE (A) STATE 034044, (B) ABIDJAN 8699

1. REF (B) REPORTED THAT GOIC KEPT 1975-76 SEASON PRICES TO PRODUCERS AT SAME LEVELS AS 1974 - 75 SEASON. ALTHOUGH GOIC RESERVED RIGHT TO INCREASE PROCUER PRICES LATER ON DURING SEASON IF WORLD MARKET PRICES FOR COMMODITES SHOULD CONTINUE AT HIGH LEVELS, THERE IS NOT INDICATION AT PRESENT, DESIPITE EVIDENCE THAT COFFEE PRICES WILL REMAIN HIGH, THAT GOIC WILL INCREASE PRODUCER PRICES FOR COFFEE DURING THIS SEASON. ALL PRICES FOR SALE COMMODITIES ARE FIXED BY THE CAISSE DE STABILISATION (IVORIAN GOVERNMENT MARKETING BOARD) AND THEY ARE STRICTLY REGULATED.

2. ANSWERS TO QUESTIONS IN REF (A):  
A. INTERNAL RETAIL PRICE OF COFFEE: US DOLLARS 0.82. LB.  
B. IVORIAN COFFEE ROASTERS AND PROCESSORS PAY PRODUCER PRICE PLUS NOMINAL FEE FOR TRANSPORT.  
C. GOIC HAS PLACED NO RESTRICTION ON EXPRORTS OF COFFEE. PRESENT LEVEL OF COFFEE EXPORTS IS, HOWEVER, SLIGHTLY LESS THAN SAME PERIOD LAST YEAR, ALTHOUGH COFFEE EXPORTERS MAINTAIN THAT SALES DURING FALL 1975 WERE STRONG. PRESENT SLOWDOWN IN TRADING MAY BE DUE IN PART TO IVORIAN LABOR PROBLEM (LACK OF SUFFICIENT RURAL WORK FORCE TO HARVEST ALL OF COFFEE CROP). THIS MAY MAKE IT DIFFICULT FOR IVORIAN FARMERS TO SUPPLY BUYERS AT PREVIOUS YEAR LEVELS, DESPITE GREAT PRESENT WORLD MARKET DEMAND FOR COFFEE.  
D. COFFEE PRODUCER PRICES HAVE STAYED SAME BEFORE AND SINCE BRAZILIAN FROST: 150 CFAF PER KILO (US DOLLARS 0.3009 PER POUND) FOR GREEN COFFEE AND 75 CFAF PR KILO (US DOLLARS 0.1549 PER POUND) FOR COFFEE CHERRIES.  
E. THE GOIC HAS NOT ESPECIALY ENCOURAGED IVORIAN FARMERS TO PRODUCE MORE COFFEE SINCE THE FROST. IVORY COAST ADHERES TO THE INTERNATION COFFEE AGREEMENT AND FOR THE PAST SEVERAL YEARS HAS NOT PUSHED PLANTERS TO FARM NEW PLANTATIONS, BUT RATHER, HAS ENCOURAGED THEM ONLY TO IMPORVE EXISTING, OLDER PLANTATIONS BY PLANINT NEW BUSHES. ON THE OTHER HAND, GOIC DOES EXTEND INCENTIVES TO FARMERS TO EXTEND LIMITED OFFICIAL USE

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COCOA PLANTATIONS SINCE IVORY COAST SEES MORE FUTUREIN COCOA THAN IN COFFEE PRODUCTION HERE.

3. THE ONLY NEW DEVELOPMENT ON THE IVORIAN COFFEE SCENE HAS BEEN EXPERIMENTAL WORK ON NEW VARIETY NAMED ARABUSTA. THIS IS CROSS BETWEEN SOUTH AMERICAN ARABICAS, WHICH DO NOT GROW WELL IN IVORY COAST, AND NATIVE IVORIAN ROBUSTAS. GOIC HAS

JUST ESTABLISHED A FARM TO EXPERIMENT WITH THIS VARIETY, DESIGNED FOR MARGINAL COFFEE PRODUCING AREAS DUE TO ITS RESISTANCE TO DISEASE AND DROUGHT, WITH A VIEW TO LARGE-SCALE PRODUCTION IN TEN YEARS. THIS COFFEE IS ABSOLUTELY UNKNOWN ON MARKET, HOWEVER, AND IVORY COAST WILL HAVE TO TEST MARKET CAREFULLY,

4. RECENT REPORT OF AGRICULTURAL ATTACHE STATE 1975-76 IVORIAN COFFEE EXPORTABLE PRODUCTION TO BE 265,000 M.T. EMBASSY NOW BELIEVES THIS PREDICTION MAY BE HIGH IN VIEW OF GENERAL LACK OF RURAL LABOR TO HARVEST COFFEE. FULL TWELVE-MONTH STATISTICS FOR 1975 COFFEE EARNINGS ARE NOT YET AVAILABLE AND THEREFORE IT IS NOT YET POSSIBLE TO KNOW FOR CERTAIN HOW 1975 COFFEE EXPORTS COMPARE IN QUANTITY AND VALUE WITH THOSE IN 1974, WHICH WAS A GOOD YEAR. MINAG SAWADOGO, HOWEVER, INFORMED AMBASSADOR THAT VOLUME OF COFFEE EXPORTED IN 1975 WAS EQUAL TO THAT EXPORTED IN 1974, AND THAT EXPORT EARNINGS WERE GREATER.

5. NOTE: THE CAISSE DE STABILISATION RESERVES TO ITSELF THE SOLE RIGHT TO SELL COFFEE TO US. FOR MANY YEARS, THE CAISSE HAS MAINTAINED CONTRACTS WITH LARGE US FIRMS, SUCH AS GENERAL FOODS, TO TAKE A STATED QUANTITY OF COFFEE EACH YEAR. FOR ALL OTHER COUNTRIES, THE CAISSE ALLOWS FREE TRADE, RELYING EXCLUSIVELY ON IVORY COAST-BASED EXPORTERS TO MAKE THEIR OWN SALES, WITH THE CAISSE'S AUTHORIZATION.  
SMITH

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## Message Attributes

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